



DIRECTORATE OF
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SUDAN: President Numayri's sharp attack against the Sudanese Communist Party yesterday was the latest move in response to army pressure to neutralize Communist influence in the government.

Numayri's major policy speech was preceded by a two-day meeting of the ruling Revolutionary Command Council (RCC) during which the role of Communists in government as well as the continued economic deterioration were presumably discussed. In a parallel move, the RCC has reportedly purged three Communist ministerial undersecretaries. The dismissal last November of two ultraleftist members of the RCC who supported Sudanese Communist Party Secretary General Mahjub was also apparently designed to placate armed forces officers who chafed at the Communist influence in the Khartoum government.

It is by no means certain that the military has been appeased by Numayri's ostensible effort to circumscribe Communist power. While the brunt of his crackdown has been borne by the orthodox Mahjub wing of the party, a rival faction still holds several cabinet posts, including the sensitive foreign ministry portfolio.

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ARGENTINA: [President Levingston's position may be strengthened by the growing dissatisfaction of middle-grade officers with the armed forces' commanders.]

[The discontent with the military hierarchy, and particularly with army commander General Lanusse, is stimulated by political differences as well as by complaints on personnel policies. Officers at the colonel level have come increasingly to believe that the military has not justified its take-over of the government in 1966 and that changes must be made to ensure progress in dealing with Argentina's serious political and economic problems.]

[A strongly nationalistic approach is favored by an increasing number of military officers, and President Levingston has appeared in recent weeks to be purposely playing on this sentiment. Indications of an impending clash between Levingston and General Lanusse have increased recently, and it is likely that Levingston is using the nationalism issue to attract support from within the military for the showdown that is almost certain to come]

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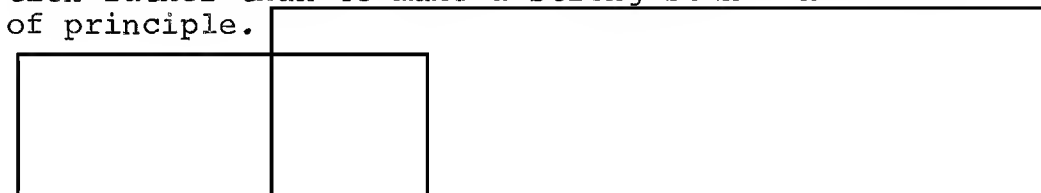
CHILE: The government and the Christian Democratic Party (PDC) have reached a deal that epitomizes the Chilean proclivity for compromise.

The government is backing off for now from its insinuations that members of the previous administration were involved in the plot that ended in the death of army commander in chief Schneider last October. In return, the PDC apparently will lie low on certain sensitive issues, even though it will remain in general opposition to the government. An additional factor is the agreement between the PDC-controlled publishing house Zigzag and the government that will transform the company into a state agency while permitting Zigzag to retain some of its publications. Zigzag had been facing bankruptcy because of pressure from its Communist-controlled unions and a general credit squeeze.

This arrangement illustrates President Allende's policy of avoiding direct clashes with opposition interests where possible. In addition, it typifies the desire of most Chileans to reach an accommodation rather than to make a strong stand on a matter of principle.

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NOTES

CAMBODIA: Lon Nol has indicated that no cabinet changes are to be made for the time being. The stricken Cambodian leader has reportedly informed Acting Prime Minister Matak and General Sak Sutsakhan, Cambodian Army chief of general staff, that he does not wish to make any ministerial changes for at least the next three months in order to maintain national unity. The last major cabinet reshuffle occurred last summer, and since then Lon Nol has resisted periodic suggestions that certain incompetent or corrupt ministers be replaced.

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JAPAN: Japanese oil companies are seeking government permission to set up a "cartel" to conduct negotiations with Western companies supplying crude oil to minimize the anticipated price hikes. The permission, which probably will be granted, would strengthen Japan's bargaining position with foreign-owned suppliers who may try to pass on increases demanded by OPEC. This is the latest of several Japanese moves in recent years to gain greater control over oil imports. Western oil suppliers are concerned about the pressure such a "cartel" could apply, since Japan is the world's leading crude oil importer and one of their fastest-growing petroleum markets.

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UGANDA: The new government of Uganda apparently will not reverse Obote's nationalization measures with regard to Western-owned firms. Negotiations between the government and these companies will continue as before. This position was set forth by the government's new finance minister at a meeting with local representatives of foreign-owned oil companies operating in Uganda. With the exception of the US-owned Mobil Oil Company, which has never seriously negotiated with the government, all principal Western-owned firms have accepted government participation.

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NATO: (Bonn has directed its NATO mission to sound out the other Allies on the idea of creating an "integrated European division." Legislators of the NATO countries meeting as the North Atlantic Assembly last November, in their declaration on the future of the Alliance, proposed such a unit to act as a "standing emergency force" that would complement the Allied mobile force. The West Germans, in following up the proposal, apparently view it as one way of increasing the European share of NATO defense responsibilities and a logical follow-on to the recommendations of the recent study of Allied defense problems in the 1970s. A Bonn foreign office official believes that, to be a qualitative gain for the Alliance, the division would have to be created out of forces not already committed to NATO.)



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